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Approved For Release 2007/03/09: CIA-RDP79T00975A028300010002-5

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National Intelligence Bulletin

State Dept. review completed

DIA review(s) completed.

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FOR THE RECORD

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SPAIN

The Spanish Communist Party, which has been underground for nearly four decades, is attempting to forge a popular front. It is having little success, however, outside of fellow-traveling organizations.

The Communists are pushing for cooperation between the two loose coalitions of the Spanish left—the Communist-dominated Democratic Junta, formed last year, and the Democratic Platform of Convergence, launched by more moderate leftists as a counterweight last June. Since Franco's illness, a primary objective of the Communist Party has been to get the two coalitions to issue a joint communique setting conditions for a transfer of power to Prince Juan Carlos. The Democratic Platform has refused to cooperate.

Yesterday, the secretary general of the Spanish Communist Party, Santiago Carrillo, said in Paris that Juan Carlos was unacceptable as head of state. Earlier, the Communists had said they would accept the Prince if the Spanish people voted for a monarchy in a popular referendum, but in the meantime Spain should be ruled by a provisional government.

The issue of amnesty for political prisoners is likely to pose a challenge to Juan Carlos during his early days in office. Most opposition groups are likely to support the amnesty demand, but the military and the security forces—on whom Juan Carlos must rely—will resist.

The wife of one of Spain's most famous political prisoners held a press conference in Madrid yesterday and called on Juan Carlos to show his commitment to democracy by granting amnesty. She said that unless the Prince takes action, there will be a massacre of prisoners by right-wing forces when Franco dies.

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SPAIN

Speculation on Prince Juan Carlos' plans for a post-Franco government is intensifying.

Prime Minister Arias has indicated he will tender his resignation when the succession occurs. The Prince will then have to decide whether to retain Arias, who has three years remaining of his five-year term, or appoint a new head of government.

Arias' retention would provide continuity through the transition period and the crisis in the Spanish Sahara, and at the same time placate the conservative elements upon whom Juan Carlos will have to rely for support. By Spanish law, the chief of state after Franco cannot remove a prime minister without the approval of the 17-member Council of the Realm. If Juan Carlos feels he must make a change immediately, he will choose a replacement from among three names presented to him by the Council of the Realm.

There are at least 11 possible candidates:

- --Fernandez Miranda, a former National Movement minister and tutor to Juan Carlos;
- --Rodriguez de Valcarcel, the current president of the Cortes;
- -- Fraga Iribarne, a former information minister and ambassador to London;
- --General Gutierrez Mellado, the chief military negotiator for US bases;
- -- Count of Motrico, a monarchist and co-member with Fraga of a political research corporation;
- --Silva Munoz, a right-wing Christian Democrat;
- -- Lopez Rodo, a former minister of Opus Dei persuasion;
- --Diez Alegria, ex-chief of the high general staff;
- --Admiral Pita da Veiga Sanz, the current navy minister;
- --Licinio de la Fuente, a former labor minister;

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--Barrera de Irimo, an ex-finance minister.

Almost all of the political groups in Spain are prepared to adopt a wait-and-see attitude toward the new government. The majority are in favor of some degree of liberalization but differ greatly as to the speed and extent of the changes.

The next prime minister will new council of ministers will p					
political opinion than in the past.	DC CIAVII	HOIII a	much	widei	range or



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LEBANON

Sporadic fighting persisted yesterday in the southern suburbs of Beirut, following disagreements over the conditions of the latest cease-fire. Muslim forces reportedly refused to leave a downtown building as called for in the cease-fire, and the Phalangists were reported to have moved back into the three hotels in the Qantari area.

The Phalangist move could bring the major fedayeen organizations back into the fighting. Since Wednesday, when the cease-fire was arranged, Fatah and Saiga appeared to have reverted to a role of attempting to calm the situation. These organizations got involved in the battle in the Qantari area last weekend, but their involvement, in the opinion of the embassy, does not mean the abandonment by Palestine Liberation Organization chief Yasir Arafat of his policy of attempting to avoid direct involvement in the conflict. The embassy notes, however, that the major fedayeen organizations will respond when they believe they are being attacked.

	atest fighting m				
Palestinian	"rejectionists"	who believe t	their best intere	ests are served l	by continued
conflict.					_

One result of the latest fighting has been the emergence of Nasirist leader Ibrahim Qulaylat as a significant figure on the Lebanese internal scene. Qulaylat, who controls the Ayn al-Muraysa area near the embassy, is estimated to have 500 militiamen and 1,000 other supporters. The embassy reports that although the less radical fedayeen organizations were involved in the fighting that began last weekend, most of the fighting in the Qantari area and adjoining areas involved Qulaylat's followers, members of the Lebanese Communist Party, and supporters of leftist leader Kamal Jumblatt.

Efforts on the political front to find a solution are going nowhere. The embassy reports that parliament has no plans to meet and that the "national dialogue" committee is inactive, with no sessions scheduled for any of the three subcommittees. The new ten-man security committee that was established last weekend is continuing to meet, but without the participation of the major antagonists, Jumblatt and Phalangist leader Pierre Jumayyil. The new fighting raises the possibility that Prime Minister Karami may actually carry out his threat to resign.

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PORTUGAL

Leftists in the Portuguese military are resisting demobilization. They reportedly have petitioned army chief Fabiao to allow those discharged to stay in the military until at least next March. Eighteen percent of the army was discharged yesterday, and another 9 percent is to be demobilized on December 2.

A top aide on the general staff told the US army attache that the government was concerned that many of the troops would refuse to leave after they are discharged. He thought some might decline for political reasons, but others—according to the source—were unwilling to return to civilian life because unemployment is on the rise.

The aide said the army was prepared to cut off the pay and food of soldiers who resist discharge. He recognized this might not solve the problems; left-wing parties could support those who refuse to leave the barracks.

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The turmoil within the military has spawned new talk of coup attempts from the right and left. Press reports indicating that various military units are planning live-fire maneuvers are adding to the tension in Lisbon.

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USSR-VIETNAM

The communique issued yesterday at the end of North Vietnamese party chief Le Duan's official visit to Moscow indicates that Hanoi has received some of the economic aid it was seeking and that Moscow obtained a North Vietnamese endorsement of some of the USSR's major foreign policy themes.

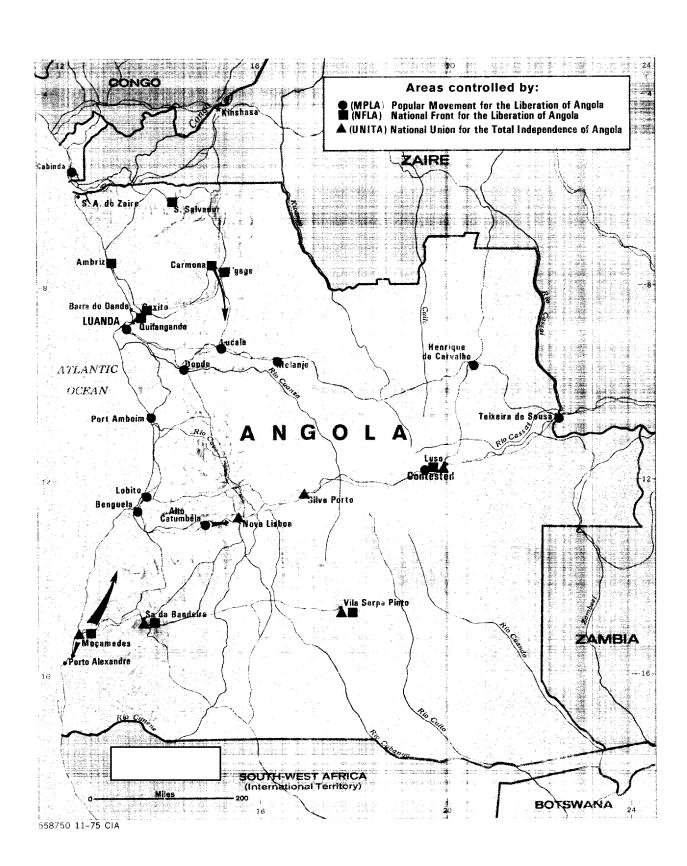
Le Duan, for example, proved willing to endorse Soviet detente policies more explicitly than Hanoi has before. The Soviets find this especially welcome in light of Peking's efforts during Le Duan's visit to China last month to persuade him of the dangers of detente.

The North Vietnamese party chief praised the results of the European security conference and expressed support for the Kremlin's line toward the Middle East, Portugal, and Chile, all of which are points of contention in the Sino-Soviet rivalry.

In the declaration, Hanoi and Moscow were relatively noncommittal toward Phnom Penh, where Chinese influence is predominant. This stance contrasted sharply with pledges of aid and support for the pro-Hanoi regime in Laos.

Like the Chinese, the Soviets will provide credit on easy terms, indicating that the days of grant aid for Hanoi are over. Moscow went a step further than Peking, however, by promising to discuss support for North Vietnam's second five-year plan.

In another gesture Moscow will find to its liking, Hanoi agreed to develop economic ties "within the framework of the multilateral cooperation of socialist countries." Although this may foreshadow a closer North Vietnamese relationship with CEMA, the vague formulation employed allows for considerable flexibility.



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	ANGOLA	25X
	Forces of the National Front are concentrated at Quifangando, some 12 miles northeast of the capital. Their advance has been delayed temporarily by lack of supplies and by the destruction of two key bridges by the Popular Movement.	
	Tensions are running high in Luanda. The morale of Popular Movement forces in the capital is low, and recent military reversals may be causing some shake-ups in the Movement's military command structure. Large numbers of black residents of the city are fleeing into the countryside, many of them to escape the mass mobilization of all men between the ages of 18 and 35 ordered by Popular Movement leaders last week.	
	East of Luanda, the National Front is also massing a sizable force and large amounts of equipment near Carmona in preparation for an assault on Lucala.	
	The Front and its military ally, the National Union for the Total Independence of Angola, is continuing to press the Popular Movement in the central coastal area as well. The Movement's forces there are stretched thin and may be forced to pull back into defensive positions around Benguela and Lobito, the territory's major port and rail complex.	25X
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25X1	The Popular Movement apparently has made some progress, however, in its advance on the National Union stronghold of Nova Lisboa. The Movement claims to have recaptured Alto Catumbela, site of the hydroelectric project that supplies power to Nova Lisboa.	

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SYRIA-IRAQ

The recent deterioration in Syria's relations with Egypt and President Asad's apparent determination to raise tensions on the Golan front have resulted in efforts by Damascus to improve relations with Baghdad.

Syria has taken positive steps toward Iraq since Asad's recent talks in Moscow. Soviet leaders reportedly advised him of Iraq's value to Syria's position in terms of strategic depth and military and economic resources.

Damascus has permitted Iraq's airline to resume flights to Syria, and Baghdad's reciprocity was highlighted in front-page announcements in two Syrian newspapers. The Iraqi information minister, moreover, visited Damascus on October 23, reportedly to discuss ways of further reducing tensions.

It is unlikely, however, that the deep-rooted Baath Party differences between the two countries will soon be resolved. Iraq's earlier condemnation of Syria for abandoning the Arab cause is indicative of the ideological struggle between the two regimes. Despite inflammatory rhetoric on Arab-Israeli issues, Iraq's official actions often reflect an underlying realism closely tied to its economic development goals and to efforts to increase its regional and international stature. Iraq may now be at the point of deciding to try to play a more influential role by continuing to improve its relations with moderate Arab states as well as with Syria in a united eastern front against Israel.

Baghdad's terms for a wider reconciliation, as speech on October 29, call for Syria's "unequivoc and 338."	s outlined in Iraqi President Bakr's cal rejection of UN resolutions 242	25X1
Syria, on the other hand, is unlikely to a genuine rapprochement. President Asad will proba differences with Baghdad to bolster his bargaining exploit the uncertainty about Syria's military	g position with Israel, as well as to	25X1

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BRAZIL

The Brazilian security forces are stepping up their efforts to prevent potentially disruptive protests.

Security officials and other disgruntled military conservatives appear to have been emboldened by President Geisel's concessions to them in a speech on August 1 and have apparently interpreted his call for vigilance against subversion as a license to move against other critics of the regime.

This pressure will continue because Geisel announced only a halt—not a reversal—of the liberalization process and because the legal opposition party, with an obvious eye to next year's municipal elections, is becoming more critical of administration policies. The recent invitation to foreign companies to prospect for oil in Brazil has provoked sharp criticism in some sectors. The new policy runs counter to deeply ingrained nationalist sentiment and reverses the practice of the past two decades of excluding foreigners from this sensitive area.

Many Brazilians apparently are becoming disenchanted with the Geisel administration. During its nearly two-year tenure, the vaunted "economic miracle" has become virtually a thing of the past, as rising prices have put a squeeze on consumers and balance-of-payments problems have constrained growth. Last year's impressive gains by the nominal opposition party in congressional elections were an early indication of popular disaffection.

Moreover, the anticipated political liberalization has all but ground to a halt. Last week, for example, the Ministry of Justice ordered state governors to prevent meetings that could prove disruptive. The directive does not substantially add to the government's powers, but it does provide state officials with greater authority and considerable latitude in their actions. The opposition Brazilian Democratic Movement is criticizing the administration's action as unconstitutional and voicing the concern that it will be used to narrow the scope of legitimate political action.

Widespread appreh	ension has been heightened by the	arrest of several members
or the legal opposition	in the drive against communism.	

In addition, security officials apparently fear the outbreak of demonstrations on the issue of human rights in response to the wave of illegal arrests and reports of deaths of political prisoners caused by torture. Students and local press especially

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	are upset over the recent death of a Sao Paulo newsma	n charged with subversion,
5X1	who officials claim committed suicide while in custody.	
5X1	administration should eventually culminate in violence	If public criticism of his Geisel would be forced to
5X1	side with the military conservatives, with whom he h	as long differed. 25X
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National Intelligence Bulletin November 1, 1975 **PERU** President Morales Bermudez has launched a campaign to rid his administration of a number of radical officers closely associated with former president Velasco and to consolidate his hold on power. Further military and government changes are certain in the coming weeks, but Morales Bermudez' position appears secure and probably will be strengthened over the longer term. Two top army generals were forced to resign yesterday. Earlier this week, two former cabinet ministers and a number prominent civilians associated with Velasco were detained as part of an anti-corruption campaign. The resignations of General Rodriguez, commander of the important Lima military region, and General Graham, head of the presidential advisory committee, most clearly indicate the President's intent to clear his administration of potential troublemakers. I Neither Graham nor Rodriguez appears to enjoy widespread support in the army, but Rodriguez, at least, is unlikely simply to fade away. The current situation may be complicated if leftist civilian groups persist in their efforts to disrupt and discredit the administration. We believe, however, that Morales Bermudez maintains sufficient support to withstand any such challenge, whether from civilians or radical army officers, or both. FOR THE RECORD

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SPANISH SAHARA: The Algerian press service claims that Spain, Mauritania,
and Algeria have agreed to a plan proposed by UN Secretary General Waldheim for
settling the Spanish Sahara dispute. The brief report gave no details but said the
plan will respect the right of the Saharan people to self-determination. No mention
was made of Morocco, which wants to settle the dispute by direct negotiations with
Spain.

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